

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All School Corporations and County Election Boards

FROM: Micah G. Vincent, Commissioner

RE: Legislative Changes by SEA 207 and SEA 367 Affecting the School Referendum Tax Levy

DATE: May 7, 2014

Senate Enrolled Act 207

On March 26, 2014, Governor Pence signed into law Senate Enrolled Act 207 ("SEA 207"), which amended statutes under IC 20-46-1 governing the school referendum tax levy. Although most of these amendments were negated by the effect of Senate Enrolled Act 367 ("SEA 367") (see below), two changes ultimately did result from SEA 207. These changes are effective July 1, 2014.

Pursuant to IC 20-46-1-10, as amended, the question to be submitted to the voters in the referendum is now to include a description of the purpose of the funding. The question **must** read as follows:

"For the __ (insert number) calendar year or years immediately following the holding of the referendum, shall the school corporation impose a property tax rate that does not exceed _____ (insert amount) cents (\$0.__) (insert amount) on each one hundred dollars (\$100) of assessed valuation and that is in addition to all other property taxes imposed by the school corporation for the purpose of funding _____ (insert short description of purposes)?"

According to IC 20-46-1-19, as amended, if a majority of the persons who vote in the referendum do not vote "yes" on the referendum question:

- (1) the school corporation may not make any levy for its referendum tax levy fund; and
- (2) another such referendum may not be held earlier than 350 days after the date of the referendum.

Senate Enrolled Act 367

On March 26, 2014, Governor Pence signed into law SEA 367, which essentially repealed most of the changes made by SEA 207. However, it did **not** negate the changes SEA 207 made to IC 20-46-1-10 and IC 20-46-1-19, as discussed above. In sum, the process by which a school corporation implements a referendum tax levy is largely unchanged, except that the content of the referendum question is now a little different.

Please note that this memorandum is intended to be an informative bulletin; it is not a substitute for reading the law.

Contact Information

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